

NATIONAL ARTHRITIS FOUNDATION
(Registered in the Republic of Singapore)
(UEN: S84SS0010J)

AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

THE BOARD

| <u>Name</u> | <u>Position on Board</u> |
|----------------------------|---------------------------------|
| LAU TANG CHING | CHAIRMAN |
| GAW YING CHARN | DEPUTY CHAIRMAN |
| ANINDITA SANTOSA | HONORARY SECRETARY |
| FELIX WANG TWE FENG | HONORARY TREASURER |
| JOHN STEVEN MANNING | BOARD MEMBER |
| YEONG WAI TECK | BOARD MEMBER |
| NEO CHIA REEI | BOARD MEMBER |
| AMEE PARIKH | BOARD MEMBER |
| OOI PEI LING | BOARD MEMBER |
| YVONNE CHOO MRS YVONNE GOH | BOARD MEMBER |
| JEANNIE ONG BEE KOON | BOARD MEMBER |
| STACEY MARGARET HAR YIN | BOARD MEMBER |
| YEOH SOON HWA | BOARD MEMBER |

REGISTERED OFFICE

420 North Bridge Road
#03-38 North Bridge Centre
Singapore 188727

AUDITOR

Kreston David Yeung PAC

BANKERS

DBS BANK LTD
MAYBANK SINGAPORE LIMITED
UNITED OVERSEAS BANK LTD

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**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

STATEMENT BY THE BOARD

In our opinion,

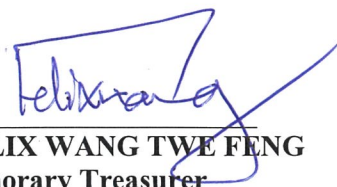
- (i) the accompanying financial statements set out on pages 6 to 30 are properly drawn up in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 and other relevant regulations and the Singapore Financial Reporting Standards, so as to present fairly, in all material respect, the state of affairs of National Arthritis Foundation (the “Foundation”) as at 31 December 2021 and the results, changes in funds and cash flows of the Foundation for the year then ended; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board members approved and authorised these financial statements for issue.

On behalf of the Board,



LAU TANG CHING
Chairman



FELIX WANG TWE FENG
Honorary Treasurer

Singapore, **11 MAY 2022**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Arthritis Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Foundation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2021 and the results, changes in funds and cash flows of the Foundation for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Statement by the Board (set out on page 2) and the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

During the course of audit, nothing has come to our attention that causes us to believe that during the year:-

- a) the Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

A handwritten signature in blue ink, appearing to be 'A. Yeung', written in a cursive style.

**KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants**

Singapore, 11 May 2022

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

**STATEMENT OF FINANCIAL POSITION
As at 31 December 2021**

| | Note | As at 31.12.2021 S\$ | Restated As at 31.12.2020 S\$ | As at 01.01.2020 S\$ |
|---|------|----------------------------|--|----------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Plant and equipment | 3 | 4,529 | 17,011 | 19,291 |
| Right-of-use assets | 4 | - | - | 47,991 |
| Total non-current assets | | <u>4,529</u> | <u>17,011</u> | <u>67,282</u> |
| Current assets | | | | |
| Inventories | 5 | - | 1,548 | 1,548 |
| Other receivables, deposits and prepayments | 6 | 106,806 | 147,186 | 78,521 |
| Cash and bank balances | 7 | 1,554,334 | 1,268,747 | 1,017,482 |
| Total current assets | | <u>1,661,140</u> | <u>1,417,481</u> | <u>1,097,551</u> |
| Total assets | | <u>1,665,669</u> | <u>1,434,492</u> | <u>1,164,833</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accruals and contract liability | 8 | 7,865 | 48,008 | 48,317 |
| Deferred grant | | - | 11,689 | - |
| Other payables | | 54,728 | 162 | - |
| Lease liabilities | 9 | - | - | 54,282 |
| Total current liabilities | | <u>62,593</u> | <u>59,859</u> | <u>102,599</u> |
| Net Assets | | <u>1,603,076</u> | <u>1,374,633</u> | <u>1,062,234</u> |
| FUNDS | | | | |
| Restricted fund | | | | |
| Juvenile Arthritis Fund | 10 | 155,126 | 32,493 | 73,361 |
| Unrestricted funds | | | | |
| General fund | | 930,748 | 815,840 | 461,171 |
| Patient Subsidy Care Fund | 11 | 517,202 | 526,300 | 527,702 |
| Total funds | | <u>1,603,076</u> | <u>1,374,633</u> | <u>1,062,234</u> |

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2021

| | Note | Unrestricted Funds | | Restricted Funds | | 2021 Total S\$ | Restated 2020 Total S\$ |
|---|------|--------------------|-------------------------------|-----------------------------|------------------|------------------|-------------------------|
| | | General Fund S\$ | Patient Subsidy Care Fund S\$ | Juvenile Arthritis Fund S\$ | | | |
| INCOME | | | | | | | |
| <i>Income from generated funds</i> | | | | | | | |
| Voluntary income | | | | | | | |
| - outright donations | | 32,791 | - | - | 32,791 | 30,973 | |
| - donation in kind | | 12,418 | - | - | 12,418 | - | |
| - memberships | | 750 | - | - | 750 | 1,000 | |
| - Keppel charity golf 2021 | | 60,000 | - | - | 60,000 | - | |
| | 12 | 105,959 | - | - | 105,959 | 31,973 | |
| <i>Activities for generating funds - fund raising</i> | | | | | | | |
| - Bicentennial community fund | 13 | - | - | - | - | 400,000 | |
| - Charity golf | 14 | 326,444 | - | - | 326,444 | - | |
| - Cycling Fundraiser | 15 | 139,681 | - | - | 139,681 | - | |
| - Recycling fundraising project | | - | - | - | - | 21,541 | |
| - Virtual events | 16 | - | - | - | - | 289,084 | |
| | | 466,125 | - | - | 466,125 | 710,625 | |
| <i>Income from charitable activities</i> | | | | | | | |
| - TaiChi for Arthritis | | - | - | - | - | 120 | |
| - Juvenile Arthritis fund | | - | - | 125,000 | 125,000 | - | |
| - Events and talk | | 6,990 | - | - | 6,990 | 15 | |
| | | 6,990 | - | 125,000 | 131,990 | 135 | |
| <i>Other income</i> | | | | | | | |
| - Government grants | 17 | 99,203 | - | - | 99,203 | 121,623 | |
| - Interest income | | 6,150 | - | - | 6,150 | 14,932 | |
| - Other income | | 480 | - | - | 480 | 7,400 | |
| | | 105,833 | - | - | 105,833 | 143,955 | |
| TOTAL INCOME | | 684,907 | - | 125,000 | 809,907 | 886,688 | |
| EXPENDITURES | | | | | | | |
| <i>Costs of generating funds</i> | | | | | | | |
| - Advertisement | | 1,787 | - | - | 1,787 | 1,334 | |
| - Donation in kind | | 12,418 | - | - | 12,418 | - | |
| | | 14,205 | - | - | 14,205 | 1,334 | |
| - costs of fund raising activities | | 71,819 | - | - | 71,819 | 46,430 | |
| <i>Charitable activities</i> | | | | | | | |
| - Medical subsidy | | - | 9,098 | (2,682) | 6,416 | 63,348 | |
| - JIA Day | | - | - | 5,049 | 5,049 | 2,760 | |
| - SASC | | - | - | - | - | 160 | |
| - Workshop event | | 350 | - | - | 350 | - | |
| | | 350 | 9,098 | 2,367 | 11,815 | 66,268 | |
| <i>Other expenditures</i> | 18 | 483,625 | - | - | 483,625 | 460,257 | |
| TOTAL EXPENDITURE | | (569,999) | (9,098) | (2,367) | (581,464) | (574,289) | |
| SURPLUS/(DEFICIT) BEFORE TAXATION | | 114,908 | (9,098) | 122,633 | 228,443 | 312,399 | |
| Taxation | 20 | - | - | - | - | - | |
| NET MOVEMENT IN FUNDS | | 114,908 | (9,098) | 122,633 | 228,443 | 312,399 | |
| Balance at beginning of year | | 815,840 | 526,300 | 32,493 | 1,374,633 | 1,062,234 | |
| Balance at end of year | | 930,748 | 517,202 | 155,126 | 1,603,076 | 1,374,633 | |

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

**STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2021**

| | <--- Unrestricted ---> | | <-Restricted-> | Total S\$ |
|---|------------------------|--|--------------------------------------|--------------|
| | General Fund S\$ | Patient Subsidy Care Fund S\$ | Juvenile Arthritis Fund S\$ | |
| Balance as at 01.01.2020 | 461,171 | 527,702 | 73,361 | 1,062,234 |
| - Net surplus/(deficit) for the year, as previously stated | 401,397 | (1,402) | (40,868) | 359,127 |
| Correction of error (Note 24) | (46,728) | - | - | (46,728) |
| - Net surplus/(deficit) for the year, as restated | 354,669 | (1,402) | (40,868) | 312,399 |
| Balance as at 31.12.2020/01.01.2021 | 815,840 | 526,300 | 32,493 | 1,374,633 |
| - Net surplus/(deficit) for the year | 114,908 | (9,098) | 122,633 | 228,443 |
| Balance as at 31.12.2021 | 930,748 | 517,202 | 155,126 | 1,603,076 |

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

| | 2021 | Restated 2020 |
|---|------------------|------------------|
| | S\$ | S\$ |
| Note | | |
| Cash flows from operating activities | | |
| Surplus for the year | 228,443 | 312,399 |
| Adjustments for:- | | |
| Plant and equipment written off | 5,597 | - |
| Depreciation of plant and equipment | 6,885 | 11,728 |
| Depreciation of right-of-use assets | - | 47,991 |
| Inventories written off | 1,548 | - |
| Interest income | (6,150) | (14,932) |
| Interest expenses | - | 2,271 |
| | <u>236,323</u> | <u>359,457</u> |
| Net cash flows before working capital changes | | |
| Decrease/(Increase) in other receivable, deposits and prepayments | 41,541 | (68,159) |
| Increase in other payables | 2,734 | 11,542 |
| | <u>280,598</u> | <u>302,840</u> |
| Net cash generated from operating activities | | |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | - | (9,448) |
| Interest received | 4,989 | 14,426 |
| (Increase)/Decrease in fixed deposit | (403,300) | 102,110 |
| | <u>(398,311)</u> | <u>107,088</u> |
| Net cash (used in)/generated from investing activities | | |
| Cash flows from financing activities | | |
| Interest paid | - | (2,271) |
| Payment of principal portion of lease liabilities | - | (54,282) |
| | <u>-</u> | <u>(56,553)</u> |
| Net cash used in financing activities | | |
| Net (decrease)/increase in cash and cash equivalents | (117,713) | 353,375 |
| Cash and cash equivalents at beginning of year | <u>868,747</u> | <u>515,372</u> |
| Cash and cash equivalents at end of year | 7 <u>751,034</u> | <u>868,747</u> |

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

1. GENERAL

The principal activities of the Foundation are to encourage, promote and research and other activities relating to the prevention, diagnosis of causes and treatment of arthritis and rheumatism. The Foundation is a non-profit organisation registered as a society on 27 June 1984 and registered as a charity on 15 April 1985. Its current IPC status is for the period from 5 December 2020 to 4 December 2022 and is subject to renewal.

The registered office of the Foundation which is domiciled in Singapore, is located at 420 North Bridge Road, #03-38 North Bridge Centre, Singapore 188727.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Foundation have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Foundation has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2021. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Management is of the opinion that there are no critical estimates/judgements involved that have a significant effect on the amounts recognised in the financial statements.

c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful live and depreciation method are reviewed at end of each reporting period, and adjusted prospectively as appropriate. The effects of any revision are recognised in statement of financial activities when the changes arise.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Plant and Equipment (Continued)

Depreciation is calculated on the straight-line method to write off the costs of the plant and equipment over their estimated useful lives as follows:-

| | |
|-----------------------|--------------|
| Computers | 3 - 5 years |
| Furniture and fitting | 5 - 10 years |
| Office equipment | 5 years |
| Renovation | 3 years |

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in statement of financial activities in the year the asset is derecognised.

d) Foreign Currency Transactions

Functional and Presentation Currencies

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates (the “functional currency”). The financial statements of the Foundation are presented in Singapore dollar (“SGD”), which is the functional currency of the Foundation.

Transactions and Balances

Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rates of exchange at the end of reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are taken to statement of financial activities.

The monetary financial assets and liabilities are denominated in SGD unless otherwise indicated.

e) Impairment of Non-Financial Assets

The Foundation assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Foundation makes an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Impairment of Non-Financial Assets (Continued)

Impairment losses are recognised in the statement of financial activities in those expense categories consistent with the function of the impaired asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities.

f) Financial Instruments

(a) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of financial activities.

Trade receivables are measured at the amount of consideration to which the Foundation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Foundation's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Foundation only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Financial Instruments (Continued)

(a) Financial Assets (Continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in statement of financial activities.

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Foundation becomes a party to the contractual provisions of the financial instrument. The Foundation determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of financial activities.

(c) Offsetting of Financial Instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legal enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of Financial Assets

The Foundation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

h) Cash and Cash Equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and exclude fixed deposits mature more than 3 months which are subject to insignificant risk of changes in value.

i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Net realisable value is the price of which inventories are sold in ordinary course of business after allowing for cost of realisation. Provision is made, where necessary, for obsolete, slow moving and defective inventories.

j) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

k) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation; or

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Contingencies (Continued)

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation.

Contingent liabilities and assets are not recognised on the statement of financial position of the Foundation.

l) Income Recognition

Revenue is measured based on the consideration to which the Foundation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Foundation satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Foundation has unconditional entitlement.

i) Donations

Income from donations are accounted for when received, except for committed donations.

ii) Rendering of services

Income from rendering of services, which include registration fees are recognised over the period in which the services are rendered.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Income Recognition (Continued)

iii) Taichi DVD and handbook

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised goods to the customer. Control of the Taichi DVD and handbook is transferred to the customer, generally on delivery of the Taichi DVD and handbook.

iv) Government grant

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of financial activities over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses are recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

v) Interest income

Interest income is recognised using the effective interest method.

vi) Donations in kind

A donations-in-kind (if any) is included in statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

vii) Membership fee

Membership fee income are recognised ratably over the term of the membership.

m) Employee Benefits

Defined Contribution Plans

As required by law, the Foundation makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same year as the employment that gives rise to the contribution.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Employee Benefits (Continued)

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. Accruals are made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

n) Key Management Personnel

Key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Executive Director and the Director, Marketing and Programmes are considered as key management personnel of the Foundation.

o) Leases

The Foundation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Foundation applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Foundation recognises lease liability representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased asset.

Right-of-use asset

The Foundation recognises right-of-use asset at the date of adoption of FRS 116 or at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

If ownership of the leased asset transfers to the Foundation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(e) to the financial statements.

The Foundation's right-of-use assets is disclosed Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Leases (Continued)

As lessee (Continued)

Lease liabilities

At the commencement date of the lease, the Foundation recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Foundation uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Foundation's lease liability is disclosed in Note 9 to the financial statements.

Short-term leases and leases of low-value assets

The Foundation has applied the short-term lease recognition exemption to its short-term leases of office premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

p) Funds Structure

Unrestricted funds comprise of General fund and Patient Subsidy Care Fund, which are available for use at the discretion of the management in furtherance of the Foundation's purposes.

Restricted fund is represented by "Juvenile Arthritis Fund" which is subject to restriction on their expenditures according to the term and nature of the appeal.

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Foundation.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. PLANT AND EQUIPMENT

| | Office Equipment S\$ | Furniture and Fittings S\$ | Computers S\$ | Renovation S\$ | Total S\$ |
|---------------------------------|----------------------------|----------------------------------|------------------|-------------------|--------------|
| Cost | | | | | |
| At 01.01.2020 | 3,014 | 3,339 | 2,561 | 24,113 | 33,027 |
| Additions | - | 1,730 | 7,718 | - | 9,448 |
| At 31.12.2020/01.01.2021 | 3,014 | 5,069 | 10,279 | 24,113 | 42,475 |
| Write off | - | (2,711) | (2,344) | (24,113) | (29,168) |
| At 31.12.2021 | 3,014 | 2,358 | 7,935 | - | 13,307 |
| Accumulated Depreciation | | | | | |
| At 01.01.2020 | 1,345 | 1,549 | 2,561 | 8,281 | 13,736 |
| Charge for the year | 565 | 862 | 2,263 | 8,038 | 11,728 |
| At 31.12.2020/01.01.2021 | 1,910 | 2,411 | 4,824 | 16,319 | 25,464 |
| Charge for the year | 419 | 545 | 2,572 | 3,349 | 6,885 |
| Write off | - | (1,559) | (2,344) | (19,668) | (23,571) |
| At 31.12.2021 | 2,329 | 1,397 | 5,052 | - | 8,778 |
| Net Book Value | | | | | |
| At 31.12.2021 | 685 | 961 | 2,883 | - | 4,529 |
| At 31.12.2020 | 1,104 | 2,658 | 5,455 | 7,794 | 17,011 |

4. RIGHT-OF-USE ASSETS

| | 2021 S\$ | 2020 S\$ |
|---|-------------|-------------|
| Represented by right-of-use of: | | |
| - Office premises | 84,491 | 84,491 |
| - Copier machine | 15,595 | 15,595 |
| | 100,086 | 100,086 |
| - Written off during the year (expiry of lease) | (100,086) | - |
| | - | 100,086 |
| Less: Accumulated depreciation | | |
| - Balance at beginning of the year | (100,086) | (52,095) |
| - Addition during the year | - | (47,991) |
| - Written off during the year (expiry of lease) | 100,086 | - |
| | - | - |

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

5. INVENTORIES

Inventories consist of Tai-Chi for Arthritis DVD and handbooks. The inventories have been written off during the financial year.

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | As at 31.12.2021 S\$ | Restated As at 31.12.2020 S\$ | As at 01.01.2020 S\$ |
|---|----------------------------|--|----------------------------|
| Deposits | 5,950 | 7,400 | 7,400 |
| Prepayments | 4,396 | 10,922 | 11,061 |
| Grant receivable from Singapore Totalisator Board | | | |
| - NAF Charity Gala Dinner | - | - | 50,000 |
| - Enhanced Fund-Raising Programme | - | 48,471 | - |
| Grant receivable from Government | | | |
| - Enhanced Fund-Raising Programme | 77,293 | 72,707 | - |
| - JSS | - | 7,180 | - |
| Donation receivable (Note 12) | 17,500 | - | - |
| Interest receivable | 1,667 | 506 | - |
| Other receivables | - | - | 10,060 |
| | <u>106,806</u> | <u>147,186</u> | <u>78,521</u> |

The Jobs Support Scheme (JSS) is government assistance intended to provide wage support up to 17 months to entities who retain their local employees during the period of economic uncertainty. The Foundation's operation was significantly impacted from April 2020, following the circuit-breaker measures which took effect on 7 April 2020. As a result, the Foundation will recognise the grant income from April 2020 till August 2021.

The grant receivable – JSS of S\$7,180 represents 4th payout of JSS for wage support from September to December 2020 and receivable in March 2021. JSS grant income of S\$17,089 (2020: S\$58,617) has been recognised during the financial year.

Tote Board's Fund-Raising Programme serves as a catalyst to encourage the community to better meet the needs of the underserved in the community. In financial year 2020, to help charities during the difficult Covid-19 period, Tote Board and the Government provided joint support through Enhanced Fund-Raising Programme at a dollar-for-dollar matching up to S\$250,000. The joint support from Tote Board and the Government has been extended to 31 March 2025.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

7. CASH AND BANK BALANCES

| | 2021 S\$ | 2020 S\$ |
|---|------------------|------------------|
| Fixed deposits | 803,300 | 600,000 |
| Bank balances | 750,913 | 668,747 |
| Cash on hand | 121 | - |
| Cash and bank balances | <u>1,554,334</u> | <u>1,268,747</u> |
| Less: Fixed deposits mature more than 3 months | <u>(803,300)</u> | <u>(400,000)</u> |
| | <u>751,034</u> | <u>868,747</u> |
| Cash and cash equivalents as presented in the statement of cash flows | <u>751,034</u> | <u>868,747</u> |

The fixed deposits are re-priced for a period between 12 months (2020: 3 months to 12 months) which earn interest ranging from 0.3% to 1.2% (2020: 0.3% to 1.9%) per annum.

8. ACCRUALS AND CONTRACT LIABILITY

| | 2021 S\$ | 2020 S\$ |
|-------------------|--------------|---------------|
| Accruals | 6,978 | 41,147 |
| Advance donation | - | 6,667 |
| Advance yoga fees | 140 | 140 |
| Advance ICT grant | 747 | 54 |
| | <u>7,865</u> | <u>48,008</u> |

9. LEASES

The Foundation as a lessee

The Foundation has a lease contract for its leasehold office premises and copier machine. The Foundation's obligations under these leases are secured by the lessors' title to the leased assets. The Foundation is restricted from assigning and subleasing its leased assets

a) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

| | 1 January 2020 S\$ | Cash flows S\$ | Non-cash changes Accretion of Interest S\$ | 31 December 2020 S\$ |
|-------------------|-----------------------|-------------------|---|-------------------------|
| Lease liability:- | | | | |
| - Current | 54,282 | (56,553) | 2,271 | - |

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

9. LEASES (Continued)

The Foundation as a lessee (Continued)

(b) Amount recognised in profit or loss

| | 2021 | 2020 |
|---|-------|--------|
| | S\$ | S\$ |
| Depreciation of right-of-use assets (Note 18) | - | 47,991 |
| Interest expense on lease liabilities (Note 18) | - | 2,271 |
| | <hr/> | <hr/> |
| Total amount recognised in profit or loss | - | 50,262 |

(c) Total cash outflows

The Foundation had total cash outflows for leases of S\$NIL (2020: S\$56,553).

(d) Lease options

The Foundation has temporarily extended the office premises lease for 5 months in mid January 2021 and classified the extended lease as short-term lease. The total rental of office premises under short-term leases recognised during the year was S\$37,484 (2020: S\$NIL).

10. RESTRICTED FUND – JUVENILE ARTHRITIS FUND

The Juvenile Arthritis Fund was established in year 2017 for the funding received from CapitalLand Hope Foundation. The fund is set up for providing financial assistance to help underprivileged children suffering from juvenile idiopathic arthritis (JIA) to defray their medical treatment costs and creating awareness and educating the patients and their families as well as the public on JIA.

11. PATIENT SUBSIDY CARE FUND

The Patient Subsidy Care Fund is designated to subsidise the medical and related costs of financially needy Singapore citizens and permanent residents who are stricken with arthritis.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

12. INCOME

| | 2021 | 2020 |
|----------------------------|----------------|---------------|
| | S\$ | S\$ |
| Donations - tax exempt | 21,540 | 23,946 |
| Donations - non-tax exempt | 11,251 | 7,027 |
| Donations in kind | 12,418 | - |
| Membership fee | 750 | 1,000 |
| Keppel charity golf 2021 | 60,000 | - |
| | <u>105,959</u> | <u>31,973</u> |

The Foundation is one of the beneficiaries of Keppel charity golf 2021 organised by Keppel Club. The donation includes S\$17,500 funding from Tote Board which has yet to release to the Foundation as at year end (Note 6).

13. BICENTENNIAL COMMUNITY FUND (BCF)

Bicentennial Community Fund (BCF) which is a one-off initiative that provides dollar-for-dollar matching for donations to IPC for the qualifying period from 1 April 2019 to 31 March 2020 (extended to 31 December 2020). The BCF is provided up to a cap of S\$400,000 per IPC. The BCF supports the SG Cares movement to build a caring & inclusive home for all and it is non-restricted fund in nature.

14. CHARITY GOLF

| | 2021 | 2020 |
|-------------------------------------|----------------|----------|
| | S\$ | S\$ |
| Income | | |
| Donation - tax exempt | 175,700 | - |
| Donation - non-tax exempt | 9,475 | - |
| Grant - Singapore Totalisator Board | 141,269 | - |
| | <u>326,444</u> | <u>-</u> |

15. CYCLING FUNDRAISER

| | | |
|---------------------------|----------------|----------|
| Income | | |
| Donation - tax exempt | 125,086 | - |
| Donation - non-tax exempt | 14,595 | - |
| | <u>139,681</u> | <u>-</u> |

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

16. VIRTUAL EVENTS

| | 2021 | Restated 2020 |
|---|----------|------------------|
| | S\$ | S\$ |
| Income | | |
| Donation - tax exempt | - | 126,386 |
| Donation - non-tax exempt | - | 41,520 |
| Grant - Enhanced Fund-Raising Programme | - | 121,178 |
| | <u>-</u> | <u>289,084</u> |

17. GOVERNMENT GRANTS

| | 2021 | 2020 |
|---|---------------|----------------|
| | S\$ | S\$ |
| Jobs support scheme | 17,089 | 58,617 |
| Wage credit scheme | 1,800 | 5,676 |
| Special employment credit | - | 195 |
| Career support programme claim | 17,854 | 23,285 |
| Paternity leave and childcare leave claim | 1,110 | 2,152 |
| Community Chest Fund | - | 6,000 |
| Enhanced Work-Life Grant (Covid-19) Programme | 8,000 | - |
| SG United traineeship allowance | 12,707 | - |
| IT grant | 801 | 4,081 |
| Shared service grant | - | 891 |
| IPG grant | 39,842 | 20,726 |
| | <u>99,203</u> | <u>121,623</u> |

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

18. OTHER EXPENDITURES

| | 2021 | 2020 |
|--|----------------|----------------|
| | S\$ | S\$ |
| Accountancy fee | 3,600 | 3,600 |
| Administrative fee | 22,682 | - |
| Audit fee | 5,500 | 6,741 |
| Bank charges | 489 | 465 |
| Casual labour | 2,244 | 440 |
| Cleaning expense | 350 | 690 |
| Community Chest Fund's expenses | 2,150 | 2,652 |
| Condolences | 682 | - |
| Courier expenses | 218 | 130 |
| Depreciation of plant and equipment | 6,885 | 11,728 |
| Depreciation of right-of-use assets of copier machine | - | 5,745 |
| Depreciation of right-of-use assets of office premises | - | 42,246 |
| General expenses | 1,707 | 2,217 |
| Insurance | 308 | 376 |
| Interest expense on lease liabilities | - | 2,271 |
| Internet and telephone | 3,975 | 3,902 |
| Inventories written off | 1,548 | - |
| Legal and professional fees | 200 | - |
| Office expenses | 201 | 142 |
| Office rental | 37,484 | - |
| Parking fee | 170 | 255 |
| Plant and equipment written off | 5,597 | - |
| Postage and stamps | 20 | 61 |
| Printing and stationery | 1,493 | 761 |
| Refreshments | 835 | 1,228 |
| Repair and maintenance | 234 | 1,053 |
| Salary and related costs (Note 19) | 340,617 | 349,112 |
| Subscription fee | 690 | 690 |
| Subscription fee - iShine | 42,355 | 21,186 |
| Transport | 814 | 1,371 |
| Water and electricity | 577 | 1,195 |
| | <u>483,625</u> | <u>460,257</u> |

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

19. SALARY AND RELATED COSTS

| | 2021 S\$ | 2020 S\$ |
|--|----------------|----------------|
| Salary and other short term compensation:- | | |
| - Key management personnel (Note 18) | 204,380 | 184,880 |
| - Other staff | 93,100 | 121,183 |
| | 297,480 | 306,063 |
| CPF contribution:- | | |
| - Key management personnel | 21,245 | 19,970 |
| - Other staff | 15,827 | 19,642 |
| | 37,072 | 39,612 |
| Other short term benefits:- | | |
| - Key management personnel | 1,200 | - |
| - Other staff | 4,865 | 3,437 |
| | 6,065 | 3,437 |
| | <u>340,617</u> | <u>349,112</u> |

The Foundation has paid two (2020: two) staff with annual remuneration above S\$100,000.

20. TAXATION

The Foundation as a Charity institution is exempted from income tax under section 13(1)(zm) of the Income Tax Act 1947 subject to the compliance with the relevant provisions in the Income Tax Act.

During the year, the Foundation received tax deductible donation amounted to S\$364,174 (2020: S\$151,782) including S\$NIL (2020: S\$1,450) tax deductible donation for prior year.

21. RELATED PARTY TRANSACTIONS

- (i) The Foundation does not remunerate The Board members for their services rendered to the Foundation.
- (ii) During the year, donations received (fund raising events) of S\$43,400 (2020: S\$51,940) are derived from The Board and Executive Director.
- (iii) Key management personnel compensation (Note 19).

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

22. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Foundation's financial risk comprises credit risk, interest rate risks, foreign currency risk and liquidity risk which are managed and monitored by The Board.

Credit Risk

The Foundation has no significant concentration of credit risk. Cash is placed with established financial institutions.

Interest Rate Risk

The Foundation is not significantly exposed to interest rate risk. The fixed deposits are bearing fixed interest rate. As a result, sensitivity analysis is not performed.

Foreign Currency Risk

The Foundation is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

Liquidity Risk

The Board manages the liquidity prudently and aims at maintaining an adequate level of liquidity. The Foundation has sufficient funds to finance its ongoing working capital requirements.

The following table details the remaining contractual maturities at the end of the reporting period of the Foundation's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the Foundation required to pay:-

| | 2021 | | | |
|----------------|------------------------|---|--------------------------------------|-----------------------------|
| | Carrying amount S\$ | Total contractual undiscounted cash flow S\$ | Within 12 months or on demand S\$ | Between 2 to 5 years S\$ |
| Accruals | 6,978 | 6,978 | 6,978 | - |
| Other payables | 54,728 | 54,728 | 54,728 | - |
| | 61,706 | 61,706 | 61,706 | - |

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

22. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

| | 2020 | | | |
|----------------|------------------------|---|--------------------------------------|-----------------------------|
| | Carrying amount S\$ | Total contractual undiscounted cash flow S\$ | Within 12 months or on demand S\$ | Between 2 to 5 years S\$ |
| Accruals | 41,147 | 41,147 | 41,147 | - |
| Other payables | 162 | 162 | 162 | - |
| | <u>41,309</u> | <u>41,309</u> | <u>41,309</u> | <u>-</u> |

23. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

| | 2021 S\$ | Restated 2020 S\$ |
|------------------------------|------------------|-------------------------|
| Assets | | |
| Amortised cost:- | | |
| Other receivables | 96,460 | 128,864 |
| Deposits | 5,950 | 7,400 |
| Cash and bank balances | <u>1,554,334</u> | <u>1,268,747</u> |
| Total financial assets | <u>1,656,744</u> | <u>1,405,011</u> |
| Liabilities | | |
| <u>Financial liabilities</u> | | |
| At amortised cost:- | | |
| Accruals | 6,978 | 41,147 |
| Other payables | <u>54,728</u> | <u>162</u> |
| Total financial liabilities | <u>61,706</u> | <u>41,309</u> |

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

24. CORRECTION OF ERROR

The following statement of financial position and statement of financial activities of the Foundation were misstated as at 31 December 2020 and for the year ended 31 December 2020 respectively. The comparative figures have been restated to reflect the correction of this error.

The effects in the financial statements are as follows:-

| | As previously reported DR/(CR) S\$ | Effect of prior year adjustment DR/(CR) S\$ | As restated DR/(CR) S\$ |
|--|---|---|-------------------------------|
| <u>For the year ended 31.12.2020</u> | | | |
| Statement of financial activities:- | | | |
| Virtual events | (335,812) | 46,728 | (289,084) |
| <hr/> | | | |
| <u>As at 31.12.2020</u> | | | |
| Statement of financial position:- | | | |
| General fund | (862,568) | 46,728 | (815,840) |
| Grant receivable from Singapore Totalisator Board | | | |
| - Enhanced Fund-Raising Programme | 67,162 | (18,691) | 48,471 |
| Grant receivable from Government | | | |
| - Enhanced Fund-Raising Programme | 100,744 | (28,037) | 72,707 |
| <hr/> | | | |

The prior year adjustments did not have impact to any other accounts except for the above.

25. FAIR VALUES

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, due to relatively short term maturity of these financial instruments.

26. FUNDS MANAGEMENT

The Board reviews and manages the funds and reserves regularly to safeguard its assets and to ensure that the Foundation will be able to continue as a going concern and fulfill its objectives and services to the community. There have been no changes to the Foundation's approach to fund management during both of the financial years.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

27. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2022. The Board expects that adoption of these accounting standards or interpretations will have no material impact on financial statements.

28. EVENT OCCURRED AFTER THE REPORTING PERIOD

As the Covid-19 situation stabilises in Singapore gradually, the management has estimated the financial impact of the outbreak in future may not be drastic to the Foundation. The Foundation's operating reserve is sufficient for it to continue as a going concern for at least 12 months from the date of this report.